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CREATING AND IMPLEMENTING A HUMAN RESOURCE MANAGEMENT PLAN

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GETTING STARTED

There is a saying in the financial planning business: "Nobody plans to fail; they just fail to plan." This saying is no less true of human resource management planning in today's modern farming operation. Too many producers wait until the need for employees is at a critical stage before they start their search. Including a plan and an annual review of their human resource needs will save producers countless hours of frustration.

Creating a human resource management plan does not have to be an onerous task, but it does take some time and thought. The effort put into the plan will pay dividends by resulting in finding the right people for the job. For producers planning on hiring, a human resource management plan is an essential tool in the decision-making process. A plan will help identify areas where additional employees may be needed as well as positions that require specific skills.

The process starts with reviewing and assessing the operation's needs for employees, followed by developing job descriptions, recruiting workers and, finally, hiring them. Part of the job description development stage is compiling an employee "handbook," which will include the job description and the employer's expectations of the employee.

This Factsheet is designed to give producers a starting point for human resource management planning for their operation, describing how to conduct needs assessments, create job descriptions, recruit and hire employees. This Factsheet also contains a checklist and templates that will help producers design their own HR management plan.

NEEDS ASSESSMENT

Start with a review of the operation over the past year. Take into account the number of people hired and the times of the year they were employed. Recall any difficulties that were encountered and make note of them for the next year's planning.

The major problem most employers face is not having enough qualified employees at the right time. In the assessment, include real and anticipated needs for the next season as well as needs arising from any future expansion plans you may have. If you are planning to increase or decrease production within the next five years, make recruiting and hiring plans accordingly. Determine if your labour needs and current workforce match. A good needs assessment will provide a clear picture of the skills and personal characteristics the operation needs in its employees.

Assess yourself as well. What are your strengths and weaknesses? What skills do you have as a producer or business owner? What is your vision for your operation? What are your goals — both long and short term? Take into account any external factors (e.g., market conditions) or internal factors (e.g., succession planning). Write out your goals to get a clear picture of your farming business; you may see things from a different perspective. The more specific you are, the better you can determine your needs. Include a timeframe with your goals. Remember to include any personal or family goals that will affect decisions concerning your business.

The final step in this needs assessment will be to decide whether your labour needs match your current workforce. If they do, remain vigilant and re-assess the situation each year. If they don't, make alterations or changes in the workforce to increase productivity and make the business profitable. The alterations may be as simple as changing a job description or as involved as moving employees to different positions or hiring additional staff.

JOB DESCRIPTION

The next step in creating a human resource management plan is to write job descriptions for all the positions on the farm, from supervisory roles to entry level positions. Preparing a job description is a fairly easy task. Record what the job entails — the duties and skills needed and any other

details. List the minimum experience required for the position, as well as a salary range and any required training.

Establishing a salary for a position may be the most difficult part of creating the job description. Many employers make the mistake of initially offering too small a wage, saying that it will be adjusted depending on how the employee "works out." A salary range is the best way to handle the wage issue, since an experienced, capable employee will expect the top of the range, and rightly so. Good, experienced people will likely not even bother to apply for jobs with low starting wages.

Job descriptions are an excellent management tool and can be used for recruitment, selection and the appraisal of employees. The job description lists the specifics of the particular occupation, clearly stating the employee's duties. Benefits are becoming more and more important to prospective employees. Include a list of benefits, such as housing, profit sharing and retirement plans, including detailed descriptions and the dollar value of each benefit.

Providing accurate and honest job descriptions can go a long way towards heading off potential problems down the road. If all parties agree on what the job entails and accept the terms, future difficulties will be minimized. A job description will form part of the agreement with your employee. It should be reviewed and updated annually. A sample job description form is located at the end of this Factsheet.

Employee Handbook

The employee handbook should spell out for the employee the "rules of the game" when working at your farm. It is very important that it is written in clear and concise terms.

Communication is the key to success when dealing with people. Talking to or instructing someone does not guarantee that the individual understands or comprehends what is being said. People sometimes interpret the same message in different ways. The employee handbook may be one of the most valuable tools that you can offer your staff. It will not only serve to describe your expectations, in plain language, but can also work in reverse. Employees will be able to write their job expectations in the handbook, which will give you an opportunity to see if the employees understand their duties. Tailor your handbook to your operation. It can serve as both an employment agreement and a training document.

Include both the employee's and your regulatory responsibilities under the *Occupational Health and Safety Act*, the *Workplace Safety and Insurance Act*, as well as the *Employment Standards Act*.

As an employer you also have responsibilities under the general category of payroll, including Canada Pension Plan and Employment Insurance obligations.

Include a section on training. Employee performance depends on both their ability and how well they are motivated. A top-performing staff member has both the skills to do the job and the motivation to take the initiative to see the task to its conclusion. On today's modern farming operation, it is no longer acceptable to simply ask an employee if he or she has done the job before. Be prepared to train new and existing workers on an ongoing basis. In the past year, the *Occupational Health and Safety Act* has been legislated to cover farming operations. To provide a safe workplace, employers should now provide formalized safety training for their farm. Record these training events in case of an accident in the future. Training your employees reinforces your commitment to them, not only as employees but as valuable members of your team.

Review the entire handbook with the employee to try to make sure there are no misunderstandings. Ask your new employee for his or her input on the policies of your operation and, if needed, explain them, whether it's a safety issue or your policy regarding sick time. Remember that what may be a small issue in your eyes might be of greater importance to a new employee.

RECRUITING

The third step in this process is to recruit, interview and hire someone. The traditional recruiting methods include word of mouth, newspaper ads and employment agencies. An agency will screen and refer potential workers for a fee.

Another option is posting jobs online. Websites that offer this option do not usually provide a screening service, so the producer must review all the applications, not just those that meet the job specifications. This is not the ideal situation for hiring employees, however it does usually generate interest and a flow of people to your farm. Your chances of finding a good, qualified applicant are increased by the number of people applying for the position.

Service Canada offers an electronic labour exchange service (www.electroniclabourexchange.ca). Employers use an online checklist to build a profile of the position they have available, while prospective employees build a profile of their skills and experience and the type of work they are looking for. Employers get a list of "potential" matches and can contact the candidates. In many cases, the actual job is not even posted.

Remember to tell current employees when you are recruiting; they may know of someone who would be

suited for the job. Keeping them informed will also give them a sense of being part of the operation.

When deciding which recruitment method to use, weigh the cost in both dollars and time. If each interview takes a lot of time, it is not cost effective to see 150 applicants for a single job advertised in the newspaper. Using an agency that will pre-screen applicants or the electronic labour exchange will narrow the choice down for you.

HIRING

Hiring is a three-step process — the interview and testing, the reference check and the formal offer of employment. This process can be modified depending on the type of job. Hiring someone for a few days' work will not require as thorough a process as hiring for a management position.

A thorough interview should take about one hour. Make a list of questions that will test the candidate's skills, knowledge of the job and other characteristics, such as ability to work with people, ability to make decisions and ability to take on responsibilities. When hiring for a position of management, concentrate your questions in the management skill area. When preparing the questions, make sure they are open ended — they can't be answered just "yes" or "no" — to encourage the person to talk, so you can better assess his or her abilities. Decide on a rating scale to help judge each interviewee equally. While it may be important that the employee be able to work well with current employees, be cautious not to let emotion play too large a part in your decision at the expense of all other factors.

The testing stage of the interview can be done during the initial meeting or in a follow-up interview. Testing the applicants in the actual job will show how accurately their qualifications were described on their resumes and how much additional training will be required. For example, if the applicant is applying for a mechanic or equipment repair job, a simple test should suffice. Disconnect a part on your tractor and see if the applicant can identify and correct the problem.

Once you've decided who to hire, check his or her references before you make a formal job offer. Check at least two work-related references and one personal reference, if possible. If the applicant does not have a great deal of work experience, check additional personal references.

Write out the job offer, including wages, benefits and hours of work, to avoid any misunderstandings. The job description will be included in the employee handbook.

The actual work agreement should include:

- date
- job description
- salary and wages
- pay periods
- bonuses
- regular working days and hours
- overtime
- vacation
- sick leave
- housing (if applicable)
- benefits (health insurance, retirement plan, accident insurance, life insurance, etc.)
- transportation or car allowance
- statement of pay deductions
- leave policy on employee-requested training
- probationary period
- provision to update information in agreement
- termination statement
- employer, employee and witness signatures

You may alter this agreement to suit your own needs, but for an agreement such as this to be successful, it must be followed. Careful attention to the details in these agreements helps both parties understand what is expected of them.

TEMPLATES

The templates on the next four pages can be used to develop your human resource management plan.

Human Resource Management Planning Checklist

This checklist is not intended to be a comprehensive list of all potential legal requirements for employing workers. Check with your legal and financial advisors for complete requirements.

- ❑ Needs assessment
- ❑ Job descriptions
  - ❑ training/employee handbook
  - ❑ legislative requirements:
    - ❑ *Occupational Health and Safety Act*
    - ❑ *Employment Standards Act*
    - ❑ *Workplace Safety and Insurance Act*
    - ❑ payroll:
      - ❑ Canada Pension Plan
      - ❑ Employment Insurance
      - ❑ benefits
      - ❑ housing
      - ❑ wages
- ❑ Recruiting
- ❑ Hiring

Needs Assessment:
Seasonal Employees Required

Type of work	Duration	# of people	Total hours

Needs Assessment: by Occupation

Occupation	When needed	Yearly total	Weekly hours	Staff person

Sample Job Description Form

Job title: _____
Summary description: _____
_____
_____
_____
Major tasks and responsibilities: _____
_____
_____
_____
Minor functions: _____
_____
_____
Supervised by & report to: _____
_____
Supervise: _____
Assist with other jobs: _____
_____
Qualifications & training: _____
_____
_____
Skill requirements: _____
_____
_____
_____
Experience: _____
Personal characteristics required: _____
_____
_____
Physical requirements: _____
Salary range: minimum: _____ maximum: _____
Work hours: _____
Average hours: _____
Days off per week: _____
Overtime: never _____ seldom _____ often _____
Other benefits: _____
_____
_____
Work environment: _____
_____
Safety responsibilities: _____
_____
_____

SUMMARY

This Factsheet will help develop your own human resource management plan and help reduce the stress associated with hiring staff. This Factsheet is not intended to provide a comprehensive human resource management plan, but it will provide you with the necessary tools to develop a working plan. Human resource planning and management are often overlooked by producers when they write a business plan for their farm. Unsatisfactory employees can result in financial losses as well as contribute to an emotionally unhealthy work environment. Sample templates have been included for your use.

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HUMAN RESOURCES WEBSITES

Canadian Farm Business Management Council
www.farmcentre.ca

Farm Safety Association
www.farmsafety.ca

Ministry of Labour
regarding the *Occupational Health and Safety Act* and the *Employment Standards Act*
www.labour.gov.on.ca/english/index.html

Workplace Safety and Insurance Board
www.wsib.on.ca

Canada Pension Plan
www.hrdc-drhc.gc.ca/isp/common/home.shtml

Human Resources Development Canada
www.hrsdc.gc.ca/en/isp/cpp/cpptoc.shtml

REFERENCES

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